

March 5, 2010

# UTAH DISTRICT NEWSLETTER

## INSIDE THIS ISSUE:

Seven Reasons Why Your Small Business Should Consider Exporting in 2010	1
Seven Reasons (Continued)	2
SBA Proposes Women-Owned Small Business Rule to Expand Access to Federal Contracting Opportunities	3
SBA Proposes Women-Owned Small Business Rule (Continued)	4
LENDER LOAN NUMBERS FOR THE MONTH OF FEBRUARY	5

## Save the Date:

March 17, 2010  
Salt Lake SCORE Workshop  
Salt Lake County Building Complex  
Salt Lake City, UT  
(801) 746-2269

March 23, 2010  
SBA Resource Partner Meeting  
S L Community College - Miller Campus  
2:00 pm  
Contact (801) 524-3205

March 31, 2010  
8(a) Orientation  
SBA Office  
125 South State Street, 2nd floor  
Salt Lake City, UT  
10:00 am to 11:30 am  
Contact: (801) 524-6831

Helping small businesses  
**start, grow and succeed.**



## Seven Reasons Why Your Small Business Should Consider Exporting in 2010 By Daniel Hannaher, SBA Region VIII Administrator



Daniel Hannaher  
SBA Region VIII Administrator

While many small businesses are in “survival” mode during the current economic downturn, there are still strategic decisions that can be made today which may have a positive impact on this year’s bottom line. Small businesses account for 30% of all U.S. exports--a staggering \$300 billion per year. The fastest growing segment of U.S. exporting companies--comprising 65% of all U.S. exporters--are firms with 20 or fewer employees, demonstrating that size is no longer a requirement for success in global markets. With domestic customers still reeling from the recession, small business owners may want to diversify their market base by exporting their products or services. The following are seven reasons why small firms should consider exporting as a way to expand sales base and lessen the effects of a down economy.

**1. Market growth.** Where is your company's potential growth? If you look at world demographics, you will find that 95.5% of the world’s population is outside of the U. S. (Today the world population stands at just over 6 billion – up over 2 billion since 1973. It is estimated that this number will grow to 9.5 billion in 2050) If you have a product or service to sell, you want to go where the buyers are and, increasingly, that is outside the United States.

**2. Economies of scale.** Assuming your firm has excess production capacity, it will be marginally less expensive to produce 500 units than 400 units, so your per unit cost will come down as you expand your sales into new overseas markets.

Seven Reasons Why Your Small Business  
Should Consider Exporting in 2010 - Continued

**3. Extend product life cycle.** A product that may be nearing obsolescence in this market may still have demand in Asia or South America. Exporting that product will extend the product's life cycle. Or, by licensing the technology to an overseas producer, a company could continue to generate a revenue or royalty stream from the product through off-shore production.

**4. Moderate seasonal production cycles.** Any company that produces products related to the seasons—such as camping gear or ski equipment—should be aware that there are two summers and two winters every year on the planet. By selling seasonal products south of the equator during its off season, a company could moderate seasonal fluctuations in its production cycle—a big benefit both to the company and its employees.

**5. Faster growth, higher profits.** Several years ago a comprehensive study was done that showed that exporters tend to grow 22% faster than non-exporting companies, that they have higher profits, and that they stay in business longer. Exporters are winners, by definition, because they have shown that they can "think outside the box" and successfully compete in global markets.

**6. Competition.** The U.S. market is extremely competitive compared to many other countries around the world where market share might be easier to obtain and profits might well be higher. Due to increased competition within the U.S. market - which could come from either foreign or domestic companies, or both - a firm might decide it needs to enter other markets in order to grow the business. Also, a small business might explore international opportunities as a response to its chief domestic competitors doing so, in order to remain competitive in the long run. The competitor might be trying to lower production costs and/or attempting to use overseas profits or economies of scale to more aggressively compete at home.

**7. Enjoy what you do.** Part of life is having fun – even at work. Many entrepreneurs would jump at the opportunity to visit their new distributor in Paris, or make sales calls in Tokyo or Berlin. It is exciting to learn about new cultures, to make friends with people from other countries, to try unusual, often exotic, foods. Not only is it fun, but it brings the world closer together.

International trade can benefit everyone, by lowering costs, establishing friendships and making economies and companies more productive and competitive. Have you made international sales a part of your business strategy for 2010? The U.S. Small Business Administration has a number of programs and services to help entrepreneurs take their business international. For additional assistance, contact Dennis Chrisbaum, SBA's International Trade Specialist, at 303-844-6622 Ext. 18 or visit [www.sba.gov/international](http://www.sba.gov/international).

*(Daniel Hannaher is the SBA's Region VIII Administrator based in Denver. He can be reached at [Daniel.hannaher@sba.gov](mailto:Daniel.hannaher@sba.gov))*

## SBA Proposes Women-Owned Small Business Rule to Expand Access to Federal Contracting Opportunities

### SBA Proposes Women-Owned Small Business Rule to Expand Access to Federal Contracting Opportunities

WASHINGTON – The U.S. Small Business Administration today released a proposed rule aimed at expanding federal contracting opportunities for women-owned small businesses (WOSB). The proposed rule is available for public comment for 60 days.

The proposed rule is part of the Obama Administration's overall commitment to expanding opportunities for small businesses to compete for federal contracts, in particular those owned by women, minorities and veterans. This proposed rule identifies 83 industries in which WOSBs are under-represented or substantially under-represented in the federal contract marketplace. This rule is aimed at providing greater opportunities for WOSBs to compete for federal contracts, while achieving the existing statutory goal that 5 percent of federal contracting dollars go to women-owned small businesses.

"Women-owned small businesses are one of the fastest growing segments of our economy, yet they continue to be under-represented when it comes to federal contracting," said SBA Administrator Karen Mills. "Across the country, women are leading strong, innovative companies, and we know that securing federal contracts can be the opportunity that helps them take their businesses to the next level, expand their volume and create good-paying jobs. This proposed rule is a step forward in helping ensure greater access for women-owned small businesses in the federal marketplace."

The creation of a rule to increase federal contracting opportunities for WOSBs was authorized by Congress in 2000. Since that time, SBA took a number of steps to study and analyze the market, including looking at participation by women-owned small businesses across all industries. Various draft rules were made available for public comment in prior years, but the Obama Administration

chose last year to draft a new, comprehensive rule, based on the analysis of the prior studies and on all the questions and comments previously received.

Some of the components of the proposed Women-Owned Small Business rule include:

- To be eligible, a firm must be 51 percent owned and controlled by one or more women, and primarily managed by one or more women. The women must be U.S. citizens. The firm must be "small" in its primary industry in accordance with SBA's size standards for that industry. In order for a WOSB to be deemed "economically disadvantaged," its owners must demonstrate economic disadvantage in accordance with the requirements set forth in the proposed rule.
- Based upon the analysis in a study commissioned by the SBA from the Kauffman-RAND Foundation, the proposed rule identifies 83 industries (identified by "NAICS" codes) in which women-owned small businesses are under-represented or substantially under-represented.
  - o The SBA has identified eligible industries based upon the combination of both the "share of contracting dollars" analysis, as well as the "share of number of contracts awarded" analysis used in the RAND study. This differs from an earlier proposed version of the rule which identified only four industries in which women-owned small businesses were under-represented. This earlier version proposed to identify eligible industries based solely on the "share of contracting dollars" analysis used in the RAND study.
- In accordance with the statute, the proposed rule authorizes a set-aside of federal contracts for WOSBs where the anticipated contract price does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of other contracts. Contracts with values in excess of these limits are not subject to set-aside under this program.

**SBA Proposes Women-Owned  
Small Business Rule - continued**

- The proposed rule removes the requirement, set forth in a prior proposed version, that each federal agency certify that it had engaged in discrimination against women-owned small businesses in order for the program to apply to contracting by that agency.

- The proposed rule allows women-owned small businesses to self-certify as "WOSBs" or to be certified by third-party certifiers, including government entities and private certification groups.

- o The proposed rule requires WOSBs which self-certify to submit a robust certification at the federal ORCA Web site and also to submit a core set of eligibility-related documents to an online "document repository" to be maintained by the SBA. Each agency's contracting officers will have full access to this repository.

- o The SBA intends to engage in a significant number of program examinations to confirm eligibility of individual WOSBs.

- o In the event of a contract protest or program review, the SBA will be entitled to request substantial additional documentation from the WOSB to establish eligibility.

- o SBA intends vigorously to pursue ineligible firms which seek to take advantage of this program and in so doing to deny its benefits to the intended legitimate WOSBs.

The public may submit comments to this proposed rule up until close of business on May 3, 2010, to [www.regulations.gov](http://www.regulations.gov), where they will be posted after 4 p.m. EST today, or by mailing them to Dean Koppel, Assistant Director, Office of Policy and Research, Office of Government Contracting, U.S. Small Business Administration, 409 3rd St. SW, Washington, DC 20416. Please reference RIN 3245-AG06 when submitting comments.

**SAVE THE DATE**  
**Utah District**  
**Small Business Week Luncheon**  
**Monday, May 3, 2010**  
**Joseph Smith Memorial Building**

~

LENDER	January Loan Numbers	January Total Dollars	YTD Loan Numbers	YTD Dollars
1st Bank	0	0	1	\$210,000
ALLIANCE COMMUNITY FCU	3	\$134,300	5	\$219,300
AMEGY BANK NATIONAL ASSOC	1	\$228,000	1	\$228,000
AMERICA FIRST FCU	3	\$110,000	27	\$725,700
AMERICAN BANK OF COMMERCE D/B/A AMBANK	0	0	4	\$1,570,300
AMERICAN BANK OF THE NORTH	0	0	1	\$1,500,000
BANK OF AMERICAN FORK	0	0	3	\$410,000
BANK OF THE WEST	0	0	0	0
BANK OF UTAH	1	\$100,000	8	\$2,024,100
BARNES BANKING COMPANY	0	0	1	\$35,000
BEACH BUSINESS BANK	0	0	0	0
BEEHIVE CU	2	\$85,000	7	\$230,000
BRIGHTON BANK	1	\$50,000	11	\$519,000
CACHE VALLEY BANK	0	0	1	\$125,000
CAPITAL COMMUNITY BANK	0	0	4	\$599,000
CELTIC BANK CORPORATION	9	\$4,813,200	17	\$11,260,500
CENNTENNIAL BANK	1	\$140,000	2	\$376,900
CENTRAL BANK	0	0	1	\$10,000
CHARTWAY FCU	0	0	1	\$99,500
CYPRUS FCU	2	\$85,000	5	\$471,000
D.L. EVANS BANK	0	0	1	\$35,000
EXCEL NATIONAL BANK	1	\$618,200	1	\$618,200
FIRST UTAH BANK	1	\$211,200	5	\$411,200
FRONTIER BANK, FSB	0	0	0	0
GOLDENWEST FCU	5	\$225,000	13	\$686,000
GRAND VALLEY BANK	0	0	0	0
GRANITE FCU	0	0	6	\$355,200
HORIZON UTAH FCU D/B/A HORIZON CU	0	0	1	\$64,500
JORDAN FCU	2	\$75,000	7	\$260,000
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	8	\$1,619,300	22	\$5,250,500
KEYBANK NATIONAL ASSOCIATION	3	\$772,000	10	\$1,705,500
LEWISTON STATE BANK	0	0	1	\$25,000
LIBERTY BANK, INC.	1	\$150,000	1	\$150,000
LIVE OAK BANKING COMPANY	1	\$150,000	3	\$450,000
MEADOWS BANK	1	\$298,000	1	\$298,000
MOUNTAIN AMERICA FCU	12	\$535,400	86	\$3,775,300
MOUNTAIN WEST BANK	0	0	0	0
MOUNTAIN WEST SMALL BUSINESS FINANCE	15	\$4,987,000	66	\$28,616,000
NEVADA COMMERCE BANK	0	0	3	\$1,086,200
SOUTHWEST COMMUNITY FCU	4	\$117,000	11	\$475,400
SPIRIT OF TEXAS BANK, SSB	1	\$163,000	1	\$163,000
STATE BANK OF SOUTHERN UTAH	3	\$690,000	42	\$4,260,500
SUPERIOR FINANCIAL GROUP, LLC	0	0	11	\$122,500
THE FIRST NATIONAL BANK OF LAYTON	1	\$200,000	2	\$258,000
THUNDER BANK	0	0	1	\$33,800
U.S. BANK NATIONAL ASSOCIATION	2	\$687,500	12	\$1,078,000
UNITED CENTRAL BANK	1	\$700,000	1	\$700,000
UNITED MIDWEST SAVINGS BANK	0	0	1	\$1,400,000
UNIVERSITY FIRST FCU	0	0	2	\$85,000
USU CHARTER FCU	0	0	1	\$40,000
UTAH CENTRAL CREDIT UNION	0	0	0	0
UTAH CERTIFIED DEVELOPMENT COMPANY	8	\$2,580,000	30	\$11,168,000
UTAH COMMUNITY FEDERAL CREDIT UNION	0	0	0	0

LENDER	January Loan Numbers	January Total Dollars	YTD Loan Numbers	YTD Dollars
UTAH FIRST FCU	0	0	5	\$210,000
*VECTRA BANK COLORADO, NATIONAL ASSOCIATION	1	\$19,000	197	\$15,118,100
WELLS FARGO BANK, NATIONAL ASSOCIATION	3	\$717,300	30	\$8,991,800
* ZIONS FIRST NATIONAL BANK	28	\$1,550,300	77	\$5,747,000
TOTALS	125	\$22,810,700	751	\$114,251,000